



SMP Community Partners Consumer Alert

To: Aging Services Organizations & Senior Medicare Patrol Community Partners

From: The National Consumer Protection Technical Resource Center

Date: March 15, 2006

Subject: Medicare Prescription Drug Benefit Consumer Alert: CMS Issues \$299 Plan Scam
Consumer Protection Alert

CMS, the agency that oversees the Medicare program, has recently issued a consumer alert noting that they have received reports from five different states of bogus companies offering **prescription drug plans for \$299 (or similar amounts)**. According to CMS, complaints have been made against a number of different companies, but authorities believe that the companies are the same and are typically based outside the U. S.

Reports have also been received about potentially fraudulent companies using email and the Web to offer free or low-cost prescription drug programs for a fee. Consumers have been asked to pay as much as \$195, or a finder's fee of \$5 per prescription to locate free drug programs.

Other types of potential scams being reported include:

- Individuals falsely representing themselves as being from the Medicare, the Social Security Administration or the American Medical Association;
- Consumers being asked to sell their prescription drugs or use their Medicare benefits to cover someone else's medications;
- Illegal kickbacks to pharmacies, doctor's or other health care providers to encourage them to change prescriptions or prescribe drugs that aren't needed; and
- Prescription drug shorting—the pharmacy providing less pills than prescribed

Consumers need to know the facts:

- The Social Security Administration and Medicare are not going to call or visit people to enroll them in a prescription drug or other health plan;
- The American Medical Association does not make calls to consumers;
- No one can come into their home uninvited;
- Medicare Prescription Drug Plans' (Medicare Part D) sales representatives *are* allowed to call people with Medicare to talk about the drug plans they represent. However, they are not allowed to ask a person with Medicare for bank account, Medicare number or other personal information over the phone;

- Information on free and low-cost prescription drug programs is available **at no charge**. Consumers should ask their pharmacist, physician, local Area Agency on Aging or Senior Medicare Patrol project for information, or check out Web sites like pparx.org or benefitscheckup.org. These Web site programs use computer programs to determine whether there might be a match for you among the various programs

To avoid these and other scams, consumers should be urged to take the following actions:

- Hang up the phone immediately when someone calls with one of these offers.
- Never give any personal information, such as Medicare, Social Security, bank account or credit card numbers to anyone who calls on the phone or comes to the door.
- Sign up for the National Do Not Call Registry at 1.888.382.1222 or www.donotcall.gov.
- Call 911 if they feel threatened.
- Report scams to their local police or sheriff's office.
- Call their local Senior Medicare Patrol (SMP) (www.smpresource.org) to report or discuss possible fraud or scams and to schedule a presentation about fraud for your group.
- Whenever they have a question or concern about any activity regarding Medicare, call 1-800-MEDICARE (1.800.633.4227).

If you receive a report of someone stealing or attempting to steal someone's money or personal information, call:

- Your local police department;
- Your local SMP;
- 1-877-7SAFERX (1-877-772-3379), **OR**
- 1-800-HHS- TIPS.

If you believe personal information has been stolen or misused, call:

- Federal Trade Commission's ID Theft hotline at 1-877-438-4338 (TTY users should call 1-866-653-4261).

If you believe that an organization has violated Medicare marketing guidelines for the Prescription Drug Program, call:

- 1-877-7SAFERX (1-877-772-3379); **AND**
- Your state insurance commissioner.

Contact your local SMP Program for help or to report a complaint. These are programs funded by the US Administration on Aging, with staff and volunteers available to help gather and review information and ensure appropriate referrals are made to law enforcement or regulatory agencies. To find your local SMP, visit www.smpresource.org or call 1.877.808.2468.



Toll Free: 877.808.2468 Web: www.smpresource.org

The Center of Service & Information for Senior Medicare Patrol Projects
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